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NATIONWIDE RETIREMENT INSTITUTE[®]

2019 Health Care Consumer Survey

Summary of key findings

Methodology

This online survey was conducted March 25 to April 10, 2019. It included 1,462 older adults in the United States who are age 50 or older and have \$50,000 or more in investable assets; 1,090 of them have \$150,000 or more in investable assets.

Respondents fell into three main categories:



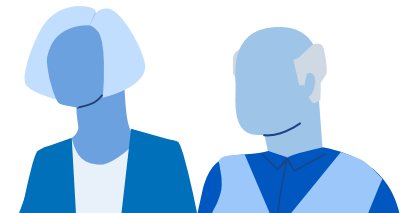
Future Retirees

They're not currently retired



Recent Retirees

They retired less than 10 years ago



Retired 10+

They retired 10 or more years ago

Stress is greatest for Future Retirees, and they need to talk about it with their advisors.

Talking about health care can be uncomfortable for financial advisors and their clients. But having this very important conversation may help reduce the stress for clients, especially those nearing retirement.

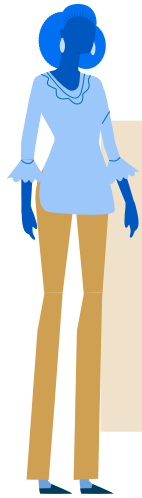
In the following slides, we've highlighted:

- Concerns about health care costs
- Differences between their concerns and goals
- Reasons for not discussing concerns
- Gaps in understanding key strategies
- Miscalculations about costs in retirement

If you would like more information after reviewing this summary, please refer to the detailed findings prepared by The Harris Poll and available at nationwidefinancial.com/healthcareinsights.

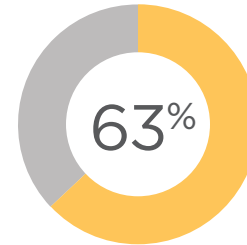


Health care costs are clearly the top concern for Future Retirees.

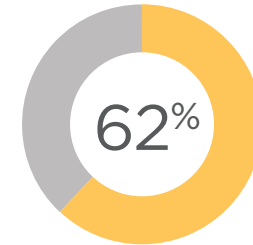


3 out of **4**
Future Retirees say they're somewhat or very concerned about the cost of health care.

As they think about their own retirement planning, **Future Retirees** are most stressed about:



Paying for health care (#1 choice)



An unanticipated decline in health (#2 choice)

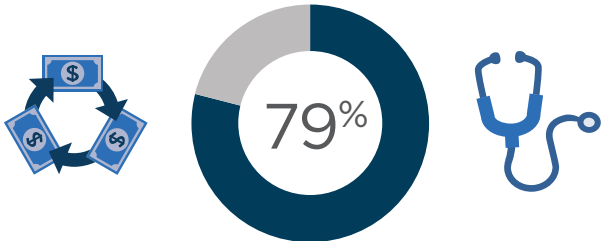
Future retirees are **much more likely to feel stressed** about retirement-related issues.

Somewhat or very concerned about:	Future Retirees	Recent Retirees	Retired 10+
Health care costs	79%	70%	61%
Long-term care	70%	62%	60%
Health insurance	71%	59%	43%
Social Security	59%	51%	44%
Taxes	58%	42%	43%
Retirement readiness	64%	30%	18%

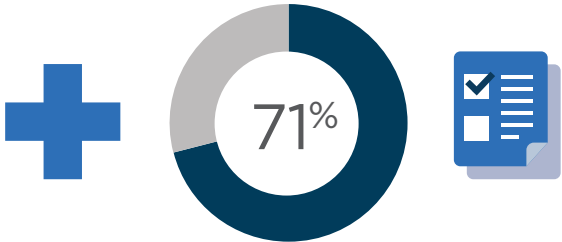
Financial concerns about retirement don't align with their retirement goals.

Top financial concerns

about retirement cited by Future Retirees



Health care costs

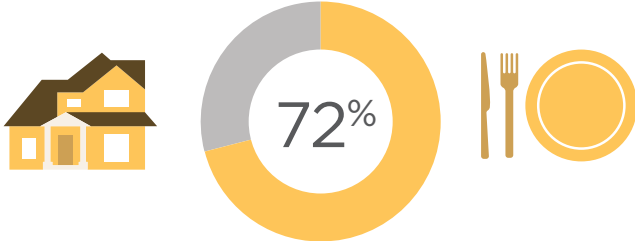


Health insurance

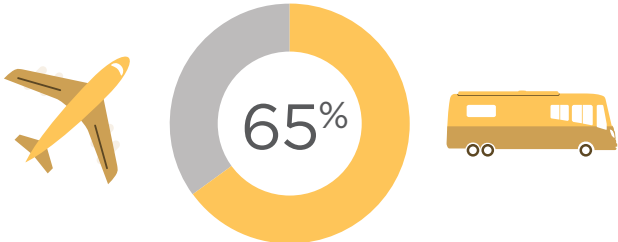
VS.

Top financial goals

for retirement cited by Future Retirees



Covering living expenses



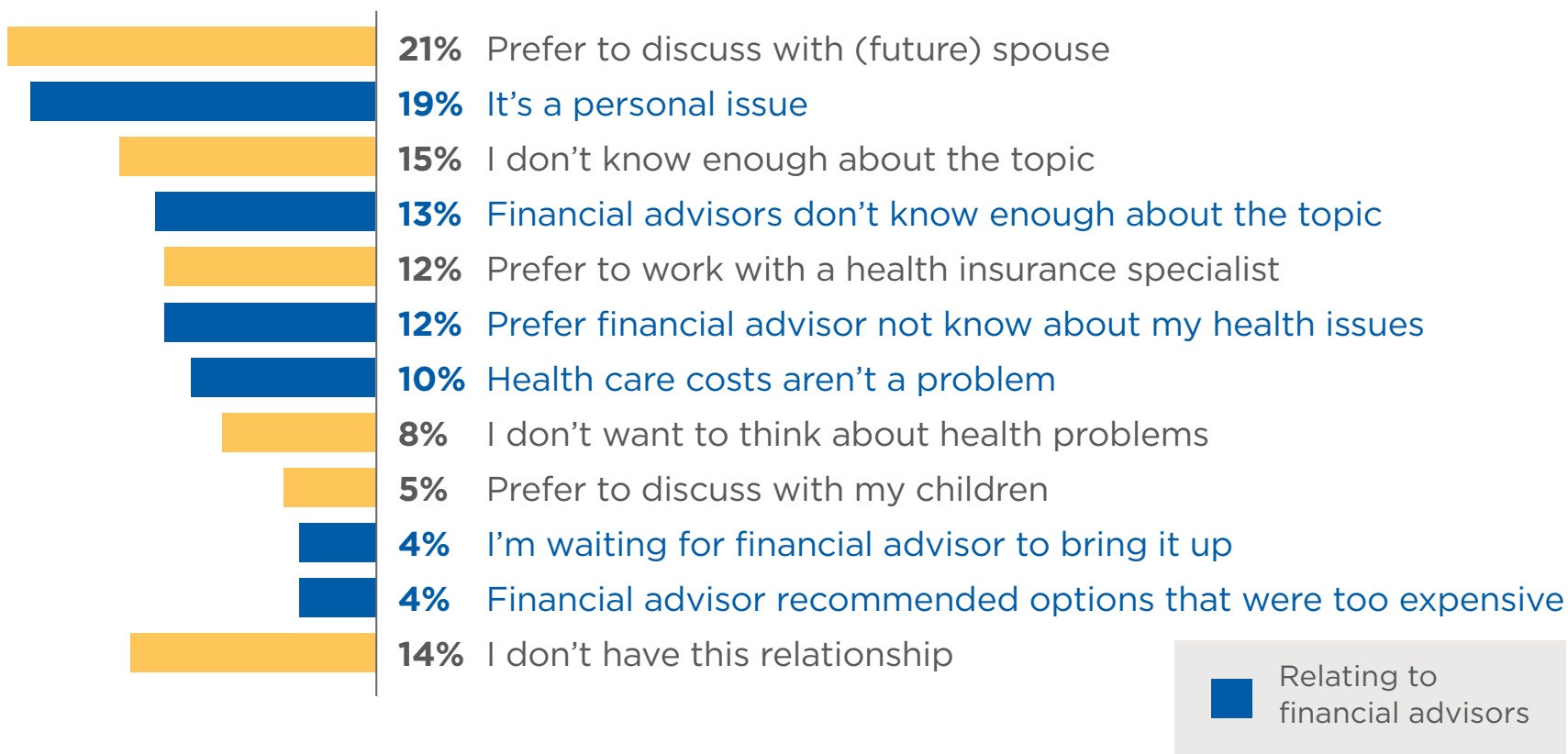
Paying for travel

Health care costs topped Future Retirees' list of financial concerns, but not their list of financial goals.

And only **45% of Future Retirees** plan to discuss health care costs in retirement with a financial advisor.

Reasons for not discussing concerns about health care costs vary.

When asked why they hadn't discussed health care planning with a financial advisor, Future Retirees told us:



Affluent older adults are much more likely to discuss health care in retirement with a financial advisor.

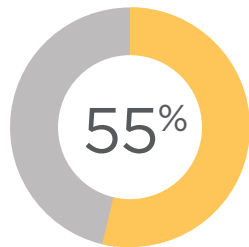
Affluent: 37%

Non-affluent: 22%

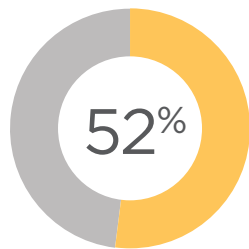


Avoiding health care discussions leaves significant gaps in understanding.

Health savings accounts (HSA)

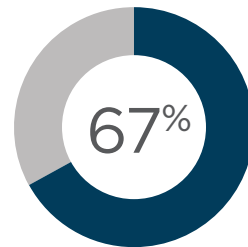


55% of Future Retirees with an HSA available don't contribute to it.

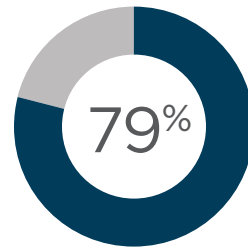


52% of Future Retirees who contribute to an HSA use it only for current health care expenses.

Medicare

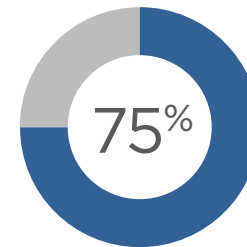


67% of Future Retirees wish they understood Medicare coverage better.

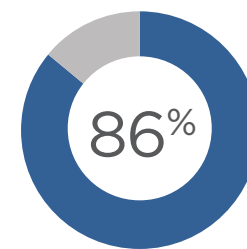


79% of Future Retirees incorrectly think Medicare Part B is free after working and paying Social Security taxes for at least 10 years.

Long-term care



75% of Future Retirees don't currently have long-term care coverage.



86% of Future Retirees incorrectly think Medicare covers long-term care.

Misunderstanding health care costs leads to vastly underestimating them.

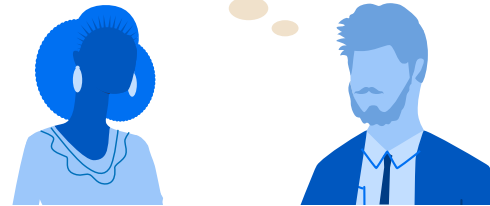


47%

of Future Retirees **couldn't even estimate** what their annual health care costs would be in retirement.

36%

of Future Retirees **estimated between \$1,000 and \$5,000** for their annual health care costs.



The **average estimate** received from Future Retirees for annual health care costs was

\$7,000



The **actual average** for annual health care costs¹ is

\$10,739

¹ National Health Expenditures Summary Including Share of GDP, CY 1960 - 2017.

Here are some key takeaways for financial advisors.



Take the time to educate yourself more about health care costs in retirement, HSAs, Medicare and long-term care.



Although it's a difficult topic, **be the first one to bring up health care costs in retirement**, in addition to other more common retirement goals.



Talk about different options, such as HSAs for tax-deferred growth, linked-benefit long-term care, health care spending buckets and protected income streams.



Talk about **financial goals** for retirement, but also uncover your clients' **true concerns** about retirement.



We're here to help you at Nationwide®.



For more resources or assistance, financial advisors should visit **nationwidefinancial.com/healthcare** or call the Nationwide Retirement Institute Planning Team at **1-877-245-0763**.



This survey was conducted online from March 25 to April 10, 2019, to a targeted subset of the U.S. population: 1,462 U.S. adults age 50 or older with investable assets of \$50,000 or more and 516 U.S. adults age 50 or older who are caregivers. “Caregiver” was defined as those who have ever or are now providing paid or unpaid long-term care to a friend or family member, not through an agency, a business or a nongovernmental organization. Qualified caregivers did NOT have to have investable assets of \$50,000 or more. Research participants were drawn from approved research panel partners. Results are weighted to the U.S. General Online Population of adults by age, gender, race/ethnicity, education, region, household income, marital status, size of household income, retirement status, assets, and propensity to be online. Because the sample is based on those who were invited to participate in research panels (and not random), we cannot calculate estimates of theoretical sampling error.

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